Manitoba

Annual Report 1986

The Public Schools Finance Board

Manitoba

Education

Public Schools
Finance Board

506 — 1181 Portage Avenue
Winnipeg, Manitoba CANADA
R3G 0T3

April 10, 1987

Honourable Jerry Storie
Minister of Education
168 Legislative Building
Winnipeg, Manitoba
R3C 0V8

Sir:

I have the honour to submit, herewith, pursuant to Section 13 of The Public Schools Finance Board Act, the Annual Report of The Public Schools Finance Board, for the year ending December 31, 1986.

The Board held 49 meetings in 1986 to conduct its business. The main activities are outlined in the following pages.

The introduction, in 1985, of an accelerated program of capital construction support, was maintained during 1986. This program provided an additional 15 million dollars with the major emphasis on the upgrading and renovation of older school buildings that were deficient in terms of instructional facilities and systems. This program, in addition to the regular school construction program of 22 million dollars represented a total capital program of 37 million dollars. These capital resources were allocated on the basis of a province-wide priorization, based on urgency and need, and in relation to the facility requirements identified by school boards through the Five Year Capital Plan.

In response to a major policy announcement whereby Day Care facilities could be planned in conjunction with major school construction programs, the Province allocated additional funds to provide for the cost of constructing these facilities. During 1986 Day Care facilities were planned

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in conjunction with the need determined by the Department of Community Services and at the time of this writing, seven Day Care facilities are currently under construction, and an additional three are in design stages.

In line with the development of the concept known as high quality relocatable classrooms, these modular units formed part of numerous major school construction projects undertaken during the year. This concept, developed to protect the Province's significant investment in new school facilities in the event of shifting enrolment patterns, has received broad acceptance throughout the Province.

In addition to the major construction programs undertaken during 1986, the Board continued to provide support towards minor renovation requirements and various upgrading and replacement programs. Accordingly, policies governing these and other activities were revised and improved.

Yours respectfully,

A. A. Frechette
Chairman

MAJOR CAPITAL CONSTRUCTION PROJECTS
Initially Approved in 1986

School Division	Project	Estimated Total Costs
Winnipeg No. 1	Meadows West - new school (balance of funding in 1985)	$ 1,500,000.00
	Stanley Knowles - new school (balance of funding in 1985)	$ 1,500,000.00
	Sister MacNamara - new school downtown Winnipeg	$ 3,700,000.00
	Renovations & Additions at a combined support of:	$ 3,700,000.00
	Riverview - addition & renovations	
	Isaac Brock - renovations	
	General Wolfe - renovations	
	Aberdeen - renovations	
	Tyndall Park - renovations	
	Luxton - addition	
Assiniboine South No. 3	Pacific Junction - new school	$ 2,500,000.00
St. Boniface No. 4	Guyot - addition of high quality relocatables	$ 400,000.00
St. Vital No. 6	Samuel Burland - new school (1st year of 2 year funding)	$ 1,400,000.00
	St. Germain Immersion - new school (1st year of 2 year funding)	$ 1,400,000.00

MAJOR CAPITAL CONSTRUCTION PROJECTS
Initially Approved in 1986

School Division	Project	Estimated Total Costs
River East No. 9	Miles MacDonell - addition of practical arts	$ 600,000.00
Lord Selkirk No. 11	Patterson - addition & renovations	$ 1,300,000.00
Transcona-Springfield No. 12	Anola - addition & renovations	$ 750,000.00
	Arthur Day - addition & reorganization of practical arts	$ 600,000.00
Agassiz No. 13	Powerview - addition of practical arts	$ 750,000.00
Seine River No. 14	Gabrielle Roy - addition of high quality relocatables	$ 600,000.00
Hanover No. 15	Southwood - addition to replace 1946 wing	$ 1,700,000.00
Red River No. 17	St. Jean - addition of practical arts	$ 700,000.00
Rhineland No. 18	West Park - addition & renovations	$ 300,000.00
Interlake No. 21	Warren - addition & renovations	$ 500,000.00
Lakeshore No. 23	Alf Cuthbert - addition & renovations	$ 500,000.00
Portage la Prairie No. 24	Arthur Meighen - addition & renovations	$ 800,000.00
Garden Valley No. 26	Walkof - addition	$ 600,000.00

MAJOR CAPITAL CONSTRUCTION PROJECTS
Initially Approved in 1986

School Division	Project	Estimated Total Costs
Pembina Valley No. 27	Manitou - addition to replace 1913 Primary	$ 1,050,000.00
Mountain No. 28	St. Claude - addition of practical arts	$ 600,000.00
	Somerset - addition of practical arts	$ 500,000.00
Pine Creek No. 30	MacGregor Collegiate - addition & renovations	$ 520,000.00
Swan Valley No. 35	- renovations & enclose open areas	$ 100,000.00
Brandon No. 40	Kirkcaldy Heights - new school	$ 3,600,000.00
	Neelin High - reorganization of practical arts	$ 250,000.00
	New Era - refurbish & upgrade	$ 1,200,000.00
Fort la Bosse No. 41	Goulter - addition & renovations	$ 460,000.00
	Virden Junior High - addition & renovations	$ 1,450,000.00
Frontier No. 48	Brochet - construction of teacherages	$ 170,000.00
	Frontier Collegiate - renovations & upgrade student residences	$ 300,000.00
	Pelican Rapids - replacement of older section (cost shared)	$ 750,000.00
	Pikwitonei - reorganization of space	$ 250,000.00
		$ 37,000,000.00

SUMMARY

SCHOOL DEBENTURES PURCHASED BY THE MINISTER OF FINANCE

DURING 1986

School Division	No.	Date(s)		Amount	Total
Winnipeg	1	May	31	$1,080,000.00	$
		August	31	735,000.00	
		August	31	450,000.00	
		October	15	1,775,000.00	
		November	30	440,000.00	4,480,000.00
Assiniboine South	3	December	15	465,000.00	465,000.00
St. Vital	6	June	30	395,000.00	395,000.00
Norwood	8	June	30	85,000.00	85,000.00
River East	9	November	30	3,800,000.00	
		December	15	240,000.00	4,040,000.00
Lord Selkirk	11	September	30	700,000.00	
		October	31	930,000.00	
		December	15	1,045,000.00	2,675,000.00
Hanover	15	October	31	1,200,000.00	1,200,000.00
Portage la Prairie	24	May	31	116,000.00	
		June	30	325,000.00	441,000.00
Midland	25	July	31	195,000.00	195,000.00
Mcuntain	28	October	15	500,000.00	
		December	15	595,000.00	1,095,000.00
Tiger Hills	29	October	31	750,000.00	750,000.00
Duck Mountain	34	August	31	295,000.00	295,000.00
Swan Valley	35	October	31	165,000.00	165,000.00

School Division	No.	Date(s)	Amount	Total
Pelly Trail	37	November 30	$ 400,000.00	$ 400,000.00
Birdtail River	38	March 15	1,000,000.00	
		November 30	560,000.00	1,560,000.00
Rolling River	39	October 15	245,000.00	245,000.00
Brandon	40	December 15	715,000.00	715,000.00
Souris Valley	42	March 31	195,000.00	195,000.00
Snow Lake	2309	March 15	120,000.00	120,000.00
	TOTAL FOR SCHOOL DIVISIONS/DISTRICTS			$19,516,000.00
South Winnipeg Technical Centre		February 28	1,350,000.00	1,350,000.00
	TOTAL			$20,866,000.00

Summary

February	28	-	$ 1,350,000.00
March	15	-	1,120,000.00
March	31	-	195,000.00
May	31	-	1,196,000.00
June	30	-	805,000.00
July	31	-	195,000.00
August	31	-	1,480,000.00
September	30	-	700,000.00
October	15	-	2,520,000.00
October	31	-	3,045,000.00
November	30	-	5,200,000.00
December	15	-	3,060,000.00
			$20,866,000.00

THE PUBLIC SCHOOLS FINANCE BOARD

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B, C and Schedules 1 and 2, of The Public Schools Finance Board for the fiscal year ended December 31, 1986. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at December 31, 1986 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied, except for the change in the method of accounting for compensatory, small schools and early identification support as described in note 6 to the financial statements, on a basis consistent with that of the preceding year.

J. W. Singleton, C.A.,
Assistant Provincial Auditor.

March 27, 1987,
Winnipeg, Manitoba.

THE PUBLIC SCHOOLS FINANCE BOARD

Balance Sheet
as at December 31, 1986
(with 1985 figures for comparison)

	1986	1985
A S S E T S		
Cash in bank	$ 437,484	$ 3,173,019
Accounts receivable:		
Government of the Province of Manitoba	14,855,468	9,216,423
Municipal corporations, education support levies	74,708,883	73,043,974
Miscellaneous	252,071	271,165
Prepaid expense	1,034	3,316
	$ 90,254,940	$ 85,707,897
L I A B I L I T I E S		
Accounts payable and accrued charges:		
Education Support	$ 3,015,888	$ 10,620,526
Other	1,252,250	1,526,841
Notes payable on demand, at bank prime -		
Government of the Province of Manitoba	68,711,600	65,740,000
	72,979,738	77,887,367
Municipal corporations' education support levies account, Note 5, Exhibit C	17,275,202	7,820,530
	$ 90,254,940	$ 85,707,897

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Revenue and Expenditure
for the year ended December 31, 1986
(with 1985 figures for comparison)

	1986	1985
Revenue:		
Government of the Province of Manitoba, share of the Government Support to Education Program	$ 403,840,245	$ 383,671,332
Municipal corporations, education support levy	186,904,940	183,016,763
	590,745,185	566,688,095
Excess of revenue over expenditure carried forward to municipal corporations' education support levies account, Note 2(b), Exhibit C	9,173,304	2,942,593
	$ 581,571,881	$ 563,745,502
Expenditure:		
Government Support to Education Program:		
Education support, Schedule 1	$ 573,279,314	$ 555,623,563
Administrative and other expenses, Schedule 2	8,292,567	8,121,939
	$ 581,571,881	$ 563,745,502

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Municipal Corporations' Education Support Levies Account for the year ended December 31, 1986 (with 1985 figures for comparison)

	1986	1985
Balance, beginning of year	$ 7,820,530	$ 5,085,273
Excess of revenue over expenditure, Note 2(b), Exhibit B	9,173,304	2,942,593
	16,993,834	8,027,866
Adjustment of previous years' education support from estimated to actual, Note 2(c)	281,368	(43,610)
Adjustment of prior years' levies, Note 3	-	(163,726)
	281,368	(207,336)
Balance, end of year, Note 5, Exhibit A	$ 17,275,202	$ 7,820,530

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Education Support
for the year ended December 31, 1986
(with 1985 figures for comparison)

	1986	1985
Operating:		
Block	$ 376,027,517	$ 374,910,953
Equalization	60,595,956	48,663,756
Special services	37,678,920	36,110,064
Transportation	25,705,110	25,315,823
Curricula materials	7,349,648	7,378,180
Bilingualism	5,366,019	2,182,419
Vocational industrial	4,997,900	4,636,340
Native	1,687,950	1,241,656
Inner city	1,380,755	-
Compensatory, Note 6	1,208,233	2,895,427
Immigrant	1,101,672	812,920
Small schools, Note 6	756,196	1,826,450
Heritage language	462,127	224,504
Loss of Indian enrolment	169,998	-
Early identification, Note 6	88,010	250,000
Capital:		
Debt servicing, Note 2(a) and Note 4	35,964,253	35,305,981
Other	6,532,647	7,086,773
Buses	4,734,155	5,292,622
Vocational equipment	1,472,248	1,489,695
Total education support, Exhibit B	$ 573,279,314	$ 555,623,563

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Administrative and Other Expenses
for the year ended December 31, 1986
(with 1985 figures for comparison)

	1986	1985
Board members' indemnities	$ 97,066	$ 99,668
Staff salaries, Note 7	526,965	413,138
Professional services	37,291	60,498
Travel and sundry	43,573	34,429
Printing, stationery and supplies	44,635	33,960
Equipment, Note 2(a)	24,770	28,721
Telephone	13,423	10,877
Equipment rentals	3,604	5,792
Interest charges on loans for advances of support	7,501,240	7,434,856
Total administrative and other expenses, Exhibit B	$ 8,292,567	$ 8,121,939

THE PUBLIC SCHOOLS FINANCE BOARD

Notes to Financial Statements
December 31, 1986

1. Nature of the Board's Operations

The Public Schools Finance Board was established by The Public Schools Finance Board Act in April 1967. The objectives of the Board are to facilitate the financing of the Government Support to Education Program for school divisions and to assist boards of school divisions in the economic operation of the school system. The Board is responsible for the administration of the support provided under the Program.

2. Significant Accounting Policies

(a) The accounts of the Board are maintained on an accrual basis, except for debt servicing support which is expensed on a cash basis, and fixed asset purchases which are expensed in the year of acquisition.

(b) Education support requirements are determined in the first instance on the basis of financial budgets of school divisions. The amount of the funding requirements not covered by the Province is raised by municipal corporations. The excess or deficiency of revenue over expenditure is reflected in the municipal corporations' education support levies account.

(c) The education support for previous years is adjusted based on final statistical reports and audited financial statements of the school divisions. The statement of municipal corporations' education support levies account, Exhibit C, reflects the adjustment.

THE PUBLIC SCHOOLS FINANCE BOARD

Notes to Financial Statements
December 31, 1986

3. Adjustment of Prior Years' Levies

In 1985, the Board approved an adjustment of prior years' levies for uncollectible grants-in-lieu of taxes on federal government properties, where these properties were not within a school division. There were no such adjustments in 1986.

4. Debt Servicing

The capital support portion of the Government Support to Education Program includes payments made to service the debenture debt of the school divisions during the fiscal year. The Board has not, however, assumed the legal liability related to the repayment of such long-term debt.

5. Commitments

As at December 31, 1986, the Board has $1,160,682 (1985 - $2,131,130) in outstanding commitments for the purchase of school buses, and $504,765 (1985 - $816,000) for vocational equipment and other capital project approvals carried forward.

6. Change in Accounting Policy

In the previous year compensatory, small schools and early identification support were provided on a school year basis, to June 30, 1986, and expensed in the year ended December 31, 1985.

THE PUBLIC SCHOOLS FINANCE BOARD

Notes to Financial Statements
December 31, 1986

6. Change in Accounting Policy (continued)

In the current year compensatory, small schools and early identification support were provided for the fall term of 1986. Subsequent years support will be provided on a calendar year basis. The effect of this change, which has been applied prospectively, on the financial statements in the current period is a reduction in the Government Support to Education Program and an increase in the excess of revenue over expenditures carried forward to municipal corporations' education support levies account of approximately $2,700,000.

7. Staff Salaries

The Government of the Province of Manitoba provides the Board with staff for administrative purposes. A portion of the employees' salaries is charged to the Board's operations.